

Draft of Gambling Control Board Meeting Minutes
October 26, 2006
45 Commerce Drive, Augusta, Maine

Meeting opened at 12:35 p.m.

Board members present: Chairman George McHale, W. Lawrence Hall, Michael Peters and Cushing Samp.

Excused Absence: Peter Danton.

Staff members present: Exec. Director Robert Welch, Sgt. Robin Parker, Lt. Patrick Fleming, Auditor Scott Woods and Secretary Kathy Chamberlain.

Legal counsel: Melissa O'Dea, Ass't Attorney General

****Minutes from September 20, 2006 meeting approved.**

Motion to accept: Mike Peters

Seconded: Cushing Samp

Vote: 4-0

****Executive Director's Report – Robert Welch**

- Rules Update – Sec. Of State's office is expected to be updating its website soon with the latest version of the Board's rules. When this is completed, the Board will receive a notebook with the latest set of rules in it.
- Facility Hours – The facility's hours are changing, effective October 30, 2006, to the following: Sunday, Noon to 1:00 a.m.; Monday – Thursday, 9 a.m. to 1:00 a.m.; Friday & Saturday, 9:00 a.m. to 2 a.m. No approval required.
- Commonwealth Bank – Mr. Welch provided a memo about Commonwealth Bank of Australia's purchase of Aristocrat stock. Commonwealth now owns 10.02% of Aristocrat. No Board action needed.
- Revenue Forecasting – Mr. Welch attended a Revenue Forecasting meeting with the Legislative Committee about revenue assumptions for the next four years.
- Continuity Plan – To ensure continuity in the event of his inability to work at some future time, Mr. Welch is developing a list of his current job duties and instructions on implementation of each task. He expects to cross-train other staff in these duties.

****Financial Update – Scott Woods**

Mr. Woods passed out his weekly revenue sheet to the Board members and invited them to offer any suggestions/improvements. The Board asked Mr. Woods to include in his weekly report the YTD tallies in the by recipient. In addition, Mr. Woods reported that he periodically calls some

of the entities that are recipients of funds to ensure that they are receiving their funds. The Maine Community College System has advised him that it is receiving its designated funds, and that it has not yet disbursed any of those funds.

****State Police Activity Update – Sgt. Robin Parker**

Sgt. Parker advised that things have been going along smoothly in terms of the reports of activities at the facility from the inspectors and the investigators.

****Unfinished Business:**

None.

****New Business:**

None.

● Public Comments

Jon Johnson, General Mgr of Hollywood Slots (HS), provided the Board with a financial report. That report indicates that between November 2005 and September 2006, HS paid \$16,151,875 to the State of Maine. HS has had 792,563 visitors to the facility since the opening in November 2005. Demographically, the average visitor is 50+ years in age, female, and middle to upper class, which is all consistent with the demographics of other casinos in the country.

Mr. Johnson addressed the Board which two requests:

(1) to inquire if HS could provide Promotional Credits to their customers without including these credits in the gross slot machine income. (These credits are cash coupons issued to players to encourage them to come in. Casinos use them because they encourage players to come in, and players typically use their own money as well. He informed the Board that he expected to approach them soon with a request to make these non-taxable, i.e. take them out of the definition of gross slot machine income. AAG O'Dea informed Mr. Johnson that the definition is statutory, and that he would therefore have to ask the legislature to make any such change.

(2). The simulcast designation according to current Maine Law, states that it has to be located at the harness racing tracks. Mr. Johnson would like to get it changed so when the new facility is open, the O.T.B. can be moved to that location. Perhaps also the footage could be included in the wording of the change in law. This is not a matter for the Gambling Control Board, but a matter for the Harness Racing Commission. Accordingly, Chairman McHale will refer this matter to the HRC's legal counsel, AAG Jack Richards, to review.

Meeting adjourned at 1:30 p.m.

Next meeting date is set for **Wednesday, December 13, 2006** at 12:30 p.m.